

IC 20-47-5

Chapter 5. Payment of Rent by Annexed School Corporation

IC 20-47-5-1

Existing lease; obligation of annexing school corporation

Sec. 1. (a) If a school corporation has leased a building or buildings under IC 20-47-2 or IC 20-47-3 and a part of the territory of the school corporation is later annexed to or otherwise acquired by another school corporation, the school corporation acquiring the territory shall pay to the school corporation whose territory is acquired the part of each lease rental payment as specified in this chapter.

(b) Each payment of an acquiring school corporation described in subsection (a) must be in an amount that bears the same ratio to the lease rental payment coming due from the school corporation whose territory is acquired as the ratio of the net assessed valuation for tax purposes in the territory acquired bears to the net assessed valuation for tax purposes of all property in the school corporation whose territory is acquired, including the property acquired.

(c) In the case of an annexation occurring after an annexation described in subsections (a) and (b), the part of the lease rental payments to be paid by the acquiring school corporation must be increased by the same ratio as the ratio described in subsection (b). The payments must be made to the school corporation whose territory is acquired before the date when the lease rental payments become due and owing.

As added by P.L.2-2006, SEC.170.

IC 20-47-5-2

Property interest in lease; annexing school corporation; termination of obligations of annexed school corporation

Sec. 2. If a building or buildings that have been leased under IC 20-47-2 are located in the territory annexed or acquired, as described in section 1 of this chapter:

- (1) the school corporation acquiring the territory:
 - (A) shall pay the full amount of the lease rental payments due after the territory is annexed or acquired in accordance with the terms of the lease; and
 - (B) succeeds to and possesses all the rights and is subject to the obligations of the lessee under the lease, including the right of occupancy and use of the building; and
- (2) all rights and obligations of the lessee school corporation named in the lease terminate.

As added by P.L.2-2006, SEC.170.